

**ORIGINAL**

Decision No. 63559

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
PACIFIC INTERNATIONAL RICE MILLS, INC.  
to mortgage and otherwise encumber  
certain of its property.

Application No. 44306  
Filed March 30, 1962

O P I N I O N

This is an application for an order of the Commission authorizing Pacific International Rice Mills, Inc., applicant herein, to issue a \$475,000 note and to execute a deed of trust, and mortgage of chattels, an assignment of rents, and a subordination agreement.

Applicant is a California corporation engaged in operating as a public utility warehouseman at, or in the vicinity of, Woodland in Yolo County, Richfield in Tehama County, and Mendota in Fresno County. Under authorization granted by our Decision No. 59238, dated November 10, 1959, in Application No. 41595, it acquired certain Woodland warehouse facilities from Sunset Rice Dryer, Inc., whose name has been changed to Agrivest Corporation, and executed a deed of trust and a mortgage of chattels and issued its 6% note in the principal amount of \$375,000 in part payment for said facilities. Subsequently, pursuant to authority granted by Decision No. 61205, dated December 20, 1960, in Application No. 42890, applicant

executed a deed of trust, a mortgage of chattels, an assignment of rents and a subordination agreement, and issued its 7% note in the principal amount of \$330,000 in favor of State Mutual Life Assurance Company of America for the purpose of obtaining funds to finance, in part, costs of improving and expanding its Woodland drier and storage facilities.

The company now reports that it proposes to improve and to expand its Woodland facilities further at a cost of approximately \$200,000, of which \$162,407.11 would be obtained as an additional borrowing from State Mutual Life Assurance Company of America. For the purpose of paying the \$312,592.89 balance of its existing indebtedness to said company, and to obtain said \$162,407.11 of additional funds, applicant proposes to issue a \$475,000 note payable in monthly installments through December 31, 1972, and bearing interest at the rate of 7% per annum. Payment of said note will be secured by a deed of trust, a mortgage of chattels, and an assignment of rents, all applicable to the company's Woodland properties. Also, the lender has required, as an additional condition of the loan, that the lien of said Agrivest Corporation, under the security authorized by said Decision No. 59238, be subordinated to the proposed lien of \$475,000.

A review of applicant's income statement for the eight months ended February 28, 1962, shows that its revenues from warehouses were \$125,405.88 and from sales activities were \$6,899,472.70, with net income from all sources of \$187,315.88,

after provision for taxes on income. Applicant's February 28, 1962 balance sheet indicates a favorable financial position and it appears that the company's resources and operations will be ample to service the proposed borrowing without interference with the public utility warehouse service and operations. We find, therefore, that (1) the proposed financing will not be adverse to the public interest; (2) the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required by applicant for the purposes specified herein; and (3) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income. An order will be entered granting the application.

O R D E R

The Commission having considered the above-entitled and numbered matter and being of the opinion that a public hearing is not necessary,

IT IS ORDERED that -

1. Pacific International Rice Mills, Inc., on or after the effective date hereof and on or before August 31, 1962, may issue a deed of trust note in the principal amount of not to exceed \$475,000 in the form and for the purposes specified in this application, and may execute a deed of trust, a mortgage of chattels, an assignment of rents and a subordination agreement in the same form, or substantially in the same form, as those filed, or referred to, in this proceeding.

2. Pacific International Rice Mills, Inc., shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. This order shall become effective when Pacific International Rice Mills, Inc., has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$163.

Dated at San Francisco, California,  
this 17th day of April, 1962.

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President

*W. L. ...*

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*George H. ...*

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*Fredrick B. ...*  
Commissioners

Commissioner Everett C. McKeago, being necessarily absent, did not participate in the disposition of this proceeding.

